

R.Pm.

Approved For Release 2005/07/13 : CIA-RDP79R00904A000100050036-9

~~SECRET~~

~~CONFIDENTIAL~~

17 May 1954

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Israeli Policy Leading to Crisis in Arab-Israeli Affairs

1. Arab-Israeli relations have been plunged into the most dangerous state of tension since the end of the Palestine War. A series of violent incidents which started on 17 March has created a situation likely to lead to border clashes of increasing size and intensity and to great danger of the accidental renewal of the Palestine War.

2. Israeli initiative has been the proximate cause of this growing deterioration in the Arab-Israeli situation. For more than a year the Israelis have felt that events were running against them. Among the most important developments leading to this conclusion have been such events as the US arms aid agreement with Iraq, believed by the Israelis to indicate an increasingly pro-Arab US policy. Fearful that in time a growing rapprochement between the US and the Arab states will redound to Israel's disadvantage, Israel has adopted an increasingly bold and aggressive policy designed to secure replacement of the present unsatisfactory armistice by some more permanent arrangement before Israeli bargaining power declines. The Government apparently hopes to create a situation in which the great powers will feel compelled to intervene and force the Arab states into a settlement with Israel.

3. We believe that in the absence of strong pressure from the great powers Israel is unlikely to moderate this policy, despite the risks of open hostilities. Moreover, if the forthcoming Security Council proceedings on the Palestine question result in an apparent defeat for Israel, extremist elements in and out of the government will probably go further and press for a reopening of the Arab-Israeli war. They will argue that this is the only means by which the great powers can be forced to intervene and impose the permanent settlement Israel wants. However, we believe that the Israeli Government would probably not go so far as to deliberately reopen full scale hostilities for fear that: (a) the US would honor its treaty obligations to Jordan; (b) the parties to the Tripartite Declaration of 1950 — the US, UK, and France — might impose a settlement favorable to the Arab states; and (c) foreign economic aid to Israel would severely affect oil.

25X1

~~CONFIDENTIAL~~

~~SECRET~~

Approved For Release 2005/07/13 : CIA-RDP79R00904A000100050036-9

CONFIDENTIAL

4. Nevertheless, even if it rejects the tactic of deliberately reopening the Palestine War, Israel will almost certainly continue to carry out reprisal raids and to sabotage the armistice machinery. A continuation of such tactics in the tense situation now prevailing will probably lead to armed clashes of increasing size and intensity, unless the size and efficiency of the UN Truce Supervision Organization are greatly increased or the great powers assume responsibility for the supervision of the borders. If such clashes continue, there is great danger that they cannot be limited and will accidentally lead to full scale hostilities.

5. The difference between the above estimate and that made in WIS-92, "Israel?", (11 August 1953) is as follows: (a) WIS-92 estimates that an early renewal of the Arab-Israeli war is unlikely, though it could break out by accident; (b) our present estimate is that there is now great danger of an accidental renewal of the war. Since the policymakers are fully cognizant of this change in the situation, we do not believe that a new WIS is necessary at this time. However, we do recommend that the Director bring this change to the attention of the NSC, perhaps in his weekly briefing, and also to mention it to the IAC.

FOR THE BOARD OF NATIONAL SECURITY:

25X1

[Redacted]
Acting Chairman

25X1
O/NE: [Redacted]

Distribution:

Addressee via DD/T

[Redacted]
AD/NE

Reading Room

25X1

CONFIDENTIAL

[Redacted]